

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN ROCKCASTLE)	
WATER ASSOCIATION, INC., OF ROCKCASTLE,)	
LINCOLN AND PULASKI COUNTIES, KENTUCKY)	CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	2000-526
AND NECESSITY TO CONSTRUCT AND FINANCE)	
PURSUANT TO THE PROVISIONS OF KRS 278.023)	

O R D E R

On November 29, 2000, Western Rockcastle Water Association, Inc. ("Western Rockcastle") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,242,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to 118 additional customers with the installation of approximately 19.4 miles of 3-inch water transmission mains, a booster pump station and a 100,000 gallon elevated water storage tank. Project funding includes a \$587,000 loan from the U.S. Department of Agriculture's Rural Development ("RD"), a \$307,000 grant from the RD, a \$300,000 grant from the Appalachian Regional Commission and a \$48,000 contribution from the Applicant.

Western Rockcastle's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30

days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on November 29, 2000, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Western Rockcastle is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Western Rockcastle's proposed plan of financing with RD is accepted.

3. Western Rockcastle shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Western Rockcastle shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Western Rockcastle shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

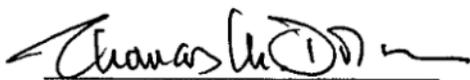
5. Western Rockcastle shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of December, 2000.

By the Commission

ATTEST:


Executive Director